



# ***DEFENSE CONTRACT AUDIT AGENCY***



**2006**

Issue Date:  
August 2006

## FOREWORD

### An Open Message from the Executive Steering Committee . . .

We, the undersigned, are pleased to issue the 2006 update to our Strategic Plan. Significant progress has been achieved in the objectives carried forward from the last publication, and while we take great pride in our accomplishments, we also recognize that the Strategic Plan is a continuous journey with unexpected challenges bringing forth new goals in the future. This update reflects our acknowledgement of these challenges as well as DCAA's commitment to customer satisfaction, professional competence, cost effectiveness, productivity enhancements, and a quality of work-life environment.

Over the years we have grown to rely upon our Strategic Plan in many ways. Internally, we value it as a means to keep management and employees focused on our overall Mission -- to provide the Department of Defense with high quality audit and financial advisory services. Externally, we use it to sharpen our awareness of customer needs and to keep pace with customer expectations. In addition, our Strategic Plan is used to supplement high level DoD initiatives such as the Department's Balanced Scorecard Report and the President's Management Agenda.

Our 2006 Strategic Plan update contains new objectives for each of our 5 Goals. These new objectives cover a broad spectrum of process improvements, some of which include:

- Better techniques for managing e-mail
- Contract audit support for contingency contracting
- Enhancements to leadership training
- Evaluating benefits of a knowledge management system
- Improving the technical specialist program
- Improvements to workflow processes and supervisory taskings
- Exploring feasibility of an audit hours planning module
- Providing high speed access to network
- Exploring feasibility of redesigning DMIS
- Increasing performance of remote users by exploring the use of wireless technology

Underlying our strategy for the future is the belief that we will continue to make a significant contribution to our National Defense needs. Building upon the strengths developed over the past 41 years, we remain steadfast in our commitment to serving the Government acquisition community and look forward to meeting the challenges before us.

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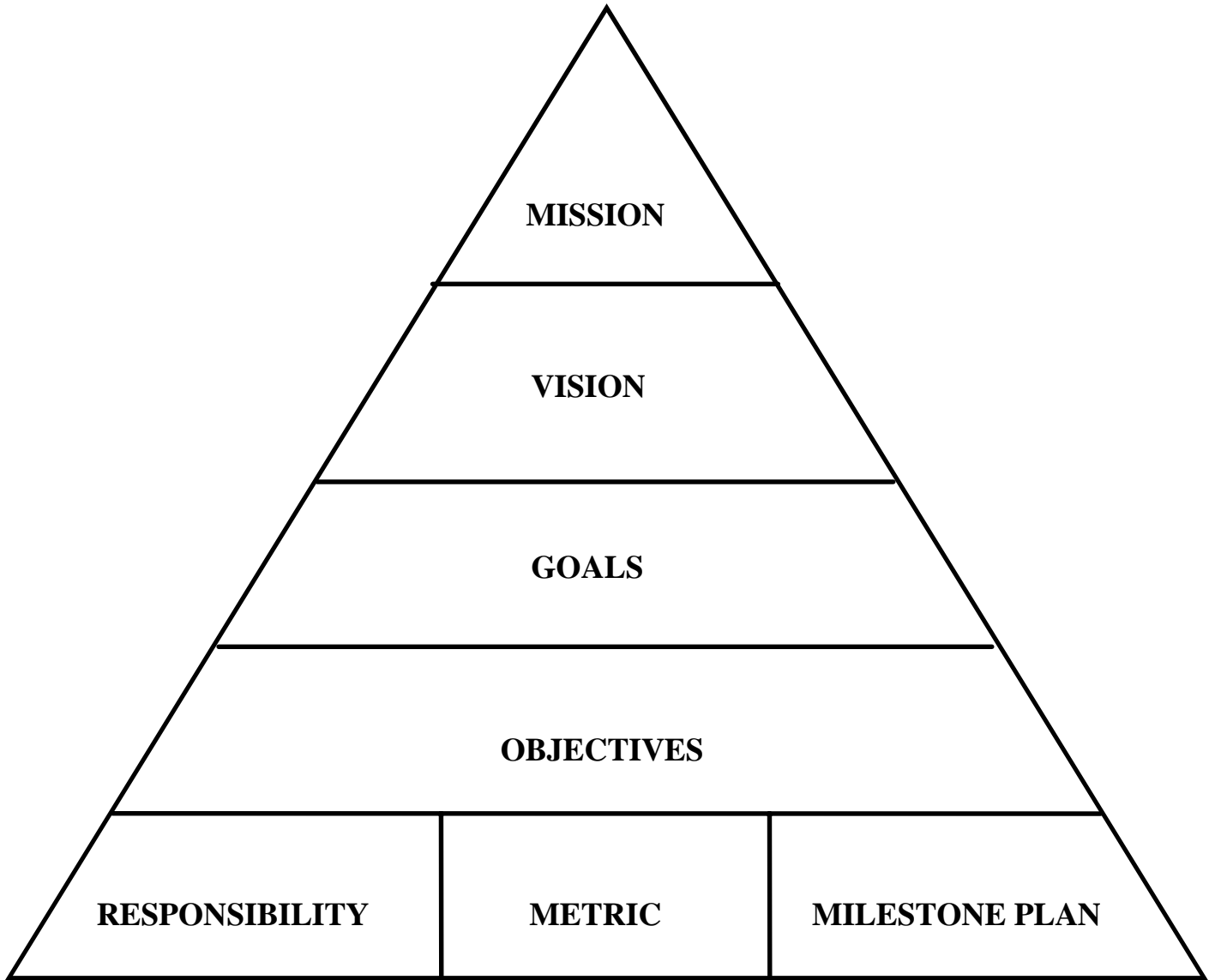
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## DCAA PLAN STRUCTURE



# DEFINITIONS

## GOAL:

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**A broad, long-range statement of what is to be accomplished; usually expressed in positive terms, and supportive of the Vision Statement.**

## OBJECTIVE:

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**A specific measurable, attainable and time-bound initiative describing activities, projects or tasks that lead to the successful completion of Goals.**

## METRIC:

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**A measurement that is used to determine whether the objective is met and is expressed in neutral terms.**

# DCAA STRATEGIC PLAN ABBREVIATIONS



AD HOC	-	Ad Hoc Committee
APPS	-	Audit Planning and Performance System
C	-	Resources
CAC	-	Common Access Card / Contract Audit Coordinator, as appropriate
CACWS	-	Cumulative Allowable Cost Worksheet
CCB	-	Configuration Control Board
CE	-	Central Region
CM	-	Resources, Administrative Management Division
CMO	-	Contract Management Office
CMTL	-	Computer Managed Training Library
COTS	-	Commercial Off the Shelf
CP	-	Resources, Personnel
CPDAH	-	Cost per Direct Audit Hour
CPE	-	Continuing Professional Education
DAU	-	Defense Acquisition University
DCAI	-	Defense Contract Audit Institute
DCMA	-	Defense Contract Management Agency
DD	-	Deputy Director
DFAS	-	Defense Finance and Accounting Service
DL	-	General Counsel, Defense Legal
DMIS	-	DCAA Management Information System
DP	-	Defective Pricing
DQ	-	Special Assistant for Quality Management
DRID	-	Defense Reform Initiative Directive
DSC	-	DMIS Standing Committee
EA	-	Eastern Region
ESC	-	Executive Steering Committee
FAIR	-	Federal Activities Inventory Reform
FAO	-	Field Audit Office
FD	-	Field Detachment
FDQ	-	Special Assistant to the Director, Field Detachment
HPSE	-	Heads of Principle Staff Elements
HQ	-	Headquarters
IDP	-	Individual Development Program



IT	-	Information Technology
ITSC	-	Information Technology Steering Committee
MA	-	Mid-Atlantic Region
NE	-	Northeastern Region
O	-	Operations
OA	-	Operations Audit
OAID	-	Operations, DCAI, Course Development Branch
OAL	-	Operations, Audit Liaison Division
OIT	-	Operations, Information Technology Division
OITN	-	Operations, Network Operations Branch
OTS	-	Operations, Technical Audits Services Division
OWD	-	Operations, Workload Analysis Division
P	-	Policy and Plans
PASS	-	Post-award Audit Selection System
PKI	-	Public Key Infrastructure
PPD	-	Policy and Plans, Policy Programs Division
PQA	-	Policy & Plans, Quality Assurance Division
PSAD	-	Planning and Staff Allocation Document
PWT	-	Participative Work Team
QA	-	Quality Assurance
RD	-	Regional Director
RQ	-	Special Assistant to the Regional Director
RQA	-	Regional Quality Assurance Manager
RSPM	-	Regional Special Programs Manager
SA	-	Supervisory Auditor
SPO	-	Strategic Plan Objective
TAC	-	Training Advisory Committee
TRAIN	-	Training Requirements and Information Network
TS	-	Technical Specialist
WE	-	Western Region
WP	-	Work Paper
ZBB	-	Zero Based Budgeting



## COMMITMENT TO EXCELLENCE

In support of the National Interest, we are dedicated to providing timely and responsive audits, reports, and financial advisory services to Department of Defense contracting officers and other customers.

Our aim is to be **THE** audit organization with the foremost reputation for competence, integrity, and customer satisfaction by:

- Creating an environment of teamwork, open communication, trust, and mutual respect, and
- Developing highly qualified employees dedicated to the concept of continuous improvement.

*William H. Reed*  
*Director*

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## D C A A   G O A L S

### GOAL 1:      Quality of Work Life Environment

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Foster a quality work-life environment that promotes trust, teamwork, mutual respect, superior job performance and high morale.

### GOAL 2:      Customer Satisfaction

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Assure customer satisfaction by providing timely and responsive audits and financial services that meet or exceed customer requirements and expectations.

### GOAL 3:      Professional Competence

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Attain the highest level of professional competence through continuous improvement in the management and performance of audits and services.

### GOAL 4:      Best Value Audit Services

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Provide best value audit and financial services through continuous evaluation and improvement of audit and administrative processes.

### GOAL 5:      Integrated IT Structure

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Provide an integrated Information Technology (IT) structure that promotes effectiveness and efficiency in providing services for internal and external customers.

## GOAL 1 – Quality of Work Life Environment

**Objective: G1–03–01**

**Responsible Element: O / P / C**

**By September 30, 2008, complete competitive sourcing studies on 50 percent or 258 full time equivalent (FTE) positions identified as commercial type activities in DCAA's FY 2000 Federal Activities Inventory Reform (FAIR) Act Inventory.**

**Metric:**

**Status: In Process**

**Completion of competitive sourcing studies on 50 percent / 258 FTEs.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Identify from the FY 2000 FAIR Inventory the universe of potential positions for competitive sourcing studies.	P / C	Sept 03 - 07
2. Determine appropriate competitive sourcing strategy (A-76, ESOP, Transitional Benefit Corporations, Negotiate with Private Sector, City-Base Partnership, Strategic Partnering, and Quasi-Government Corporations) to be used.	CM	Oct 03 - 07
3. Summarize results of research and obtain DCAA ESC approval on (1) the recommended positions to be studied, (2) the competitive sourcing strategy to be employed, and (3) the milestone plan for completion of the studies.	C	Dec 03 - 07
4. Incorporate the approved milestone plan (from Milestone 3) into this objective and proceed with studies.	C	Jan 04 - 08
5. Obtain final verification of designated positions.	C / Regions	Jun 04
6. Initiate A-76 Study.	C	Oct 07
7. End Date – Performance Decision Date.	CF	Sep 08

## GOAL 1 – Quality of Work Life Environment

**Objective: G1–06–01**

**Responsible Element: DD**

**By FY 2008, assess whether the Participative Work Team concept continues to be the best model to facilitate continuous process improvement in the Agency.**

**Metric:**

**Status: New Objective**

**Presentation to ESC and implementation of approved recommendations**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Hold initial meeting/teleconference of DQ/RQs to brainstorm strategies for accomplishment of the objective. Consider consultants to the team from other positions such as FAO managers, supervisors, and auditors.	DQ	Jan 07
2. Obtain input from focus groups of audit PWTs and management PWTs on whether the PWT concept has been successful and facilitates continuous process improvement, including the interrelationship between the audit PWT and the management PWT.	DQ/RQs	May 07
3. Perform a literature review of current continuous process improvement models including (i) updates to existing PWT concepts and (ii) new leading edge concepts.	DQ/RQs	May 07
4. Develop interim recommendations including whether to: <ul style="list-style-type: none"> <li>Continue the current PWT model</li> <li>Update the current PWT model</li> <li>Adopt a new model</li> </ul>	DQ/RQs	Aug 07
5. Present recommendations to the ESC.	DQ	Sep 07
6. Develop updated SPO milestones to accomplish the ESC approved recommendations.	DQ/RQs	Oct 07

## GOAL 1 – Quality of Work Life Environment

**Objective: G1–06–02**

**Responsible Element: Operations**

**By FY 2007, study e-mail protocols and make recommendations for improved DCAA processes. In addition, compile and publish an e-mail tool box of successful strategies used across the Agency to help reduce/manage and control e-mail.**

**Metric:**

**Status: New Objective**

**Recommendations to the ESC and publication of the tool box on the web**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Research best practices used by Regions to: <ul style="list-style-type: none"> <li>Control and manage e-mail and e-mail boxes</li> <li>Establish ground rules for sending e-mails</li> <li>Establish protocol for handling incoming organizational correspondence</li> </ul>	O and Regions	Nov 2006
2. Research best practices used by outside organizations to: <ul style="list-style-type: none"> <li>Control and manage e-mail and e-mail boxes</li> <li>Establish ground rules for sending e-mails</li> <li>Establish protocol for handling action correspondence</li> </ul>	OIT	Nov 2006
3. Evaluate and test each tool for ease, understanding and efficiency.	OIT	April 2006
4. Using evaluation results, recommend the tools that should be used by the DCAA staff.	OIT	June 2006
5. Present findings to the ESC.	O/OIT	June 2007
6. Publish the tool box on the DCAA intranet.	OIT	Sept 2007

## GOAL 1 – Quality of Work Life Environment

**Objective: G1–06–03**

**Responsible Element: Resources**

**By FY 2008, hold or lower attrition in high turnover areas to FY 2005 levels.**

**Metric:**

**Status: New Objective**

**Reduce or hold losses (other than retirement or performance related) to FY 2005 level in high turnover areas**

1. Identify geographic areas and positions that experience high attrition. Identify FY 2005 losses in these areas.	CP / Regions	Jun 06
2. Deploy surveys of new hires and departing employees.	CP	Sep 06
3. Analyze causes of attrition in high attrition areas, using the data collected by the surveys of new hires and departing employees, and by obtaining input from auditors, supervisors, and managers in high attrition areas.	CP / Regions	Sep 07
4. Examine recruitment process and its effects on subsequent auditor retention.	CP / Regions	Sep 07
5. Develop recommended policies, procedures, or actions for improving retention of employees designated by management. Consider best use of recruitment, retention, and relocation incentives, and the flexibilities afforded by the National Security Personnel System.	CP	Nov 07
6. Present recommendations to ESC for discussion/approval.	C	Dec 07
7. ESC approved recommendations assigned to responsible organization(s) for implementation.	ESC	Dec 07
8. Assigned organizations report on status of implementation to ESC.	TBD	Jun 08

## GOAL 2 – Customer Satisfaction

**Objective: G1–06–04**

**Responsible Element: FD**

**By FY 2008, explore opportunities to improve work processes for senior auditors.**

**Metric:**

**Status: New Objective**

**Completion of study and implementation of recommendations approved by ESC**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Create ad hoc committee of senior auditors.	FD	Sep 06
2. Review processes involved in audit work assignment, audit management, work package creation, audit performance, and report issuance, as they involve and impact on the senior auditor. Obtain input as deemed necessary from a cross-section of senior auditors (using focus groups, surveys, etc.).	Ad Hoc	Mar 07
3. Develop recommendations for changing work processes that will improve the quality of work life for senior auditors (by making the work more stimulating, more innovative, less stressful, etc.), while maintaining or improving audit efficiency and effectiveness.	Ad Hoc	May 07
4. Present recommendations to ESC.	Ad Hoc	Jun 07
5. Implement recommendations approved by ESC.	TBD	Nov 07
6. Report back to ESC on implementation actions.	TBD	Dec 07



## GOAL 2 – Customer Satisfaction

**Objective: G2–04–01**

**Responsible Element: Policy**

**For contractor locations belonging to the CAC Networks, by FY 2005 and 2006, increase by 20 percentage points annually the percentage of Incurred Cost Audit Reports issued with a Cumulative Allowable Cost Worksheet (CACWS) over the FY 2003 baseline.**

**Metric:**

**Status: In Process**

**For contractors belonging to a CAC network, percentage of non-corporate/group incurred cost audit reports issued with a CACWS. For Contracting Officer determined rates and assist audits on direct costs, the objective is considered achieved when the incurred cost audit report states that within 60 days after the final rates for the period are determined that (1) the contractor commits to provide the CACWS or (2) the FAO commits to prepare the CACWS using the contractor's billing system data and the final rates.**

1. Identify existing CAC networks and ensure members of each CAC network have the correct CAC Code in the Contractor Table in DMIS.	P / Regions	Apr 04
2. Coordinate with OWD to correct the DMIS manual to identify appropriate CAC Codes and develop a report to track the accomplishment of this objective.	P / O	May 04
3. Identify contractor locations within each CAC network that are not providing, or have not agreed to provide, a CACWS.	CAC / Regions	Jul 04
4. In conjunction with the contractor and the ACO, identify the obstacles to preparing and using CACWS at those locations.	CAC / Regions	Oct 04
5. Meet with corporate and local level contractor executives to develop solutions to overcome the obstacles identified at those locations and establish mutually agreeable timeframes for providing CACWS.	CAC / Regions	Dec 04
6. Assess accomplishment of the objective and plans to meet future objectives. Report results at ESC meeting.	RDs	Dec 05
7. Assess accomplishment of the objective and plans to meet future objectives. Report results at ESC meeting.	RDs	Dec 06

## GOAL 2 – Customer Satisfaction

**Objective: G2–04–02**

**Responsible Element: Operations**

Through FY 2006, increase the number of contractor submissions received in electronic form for annual incurred costs, claims and forward pricing to 75 percent, 85 percent and 90 percent for FY 2004, 2005 and 2006, respectively.

**Metric:**

**Status: In Process**

Percentage of electronic submissions as reported in DMIS for activity codes: 10100, 10110, 15500, 17100, 17200, 21000, 22000, 23XXX, 27000, 28000, and 28500.

1. Operations will modify DMIS and related Cognos reports to reflect new activity codes.	OWD / OIT	Aug 04
2. Assess results of annual progress – identify barriers and best practices and determine actions required to meet objectives. Report to ESC.	Regions	Dec 04
3. Modify Agency guidance and training, as appropriate.	OTS / OAI	Mar 05
4. Assess results of annual progress – identify barriers and best practices and determine actions required to meet objectives. Assess how effectively FAOs are using electronic files. Report to ESC.	Regions	Dec 05
5. Modify Agency guidance and training, as appropriate.	OTS / OAI	Mar 06
6. Assess results of annual progress and report to ESC on how effectively FAOs are using electronic files.	Regions	Sep 06

## GOAL 2 – Customer Satisfaction

**Objective: G2–05–01**

**Responsible Element: Policy**

**By FY 2005, 2006, and 2007, complete 100% of the DCAA controllable incurred cost audits necessary to accomplish DCMA Performance Goals for contract closeout and canceling funds.**

**Metric:**

**Status: In Process**

**Percentage of audits completed in FY 2005, 2006, and 2007 (from the universe of DCAA/DCMA jointly identified incurred cost audits).**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Obtain from DCMA a database of contracts currently overage, expected to become overage, or which have funds canceling during the upcoming fiscal year.	P	Jul 05 and 06
2. Merge the DCMA overage and canceling funds contracts databases with DMIS overhead data, to the extent possible, to match the contracts with responsible FAOs and incurred cost audits. Forward the consolidated information to the regions for validation and use for program planning.	Operations/Policy	Jul 05 and 06
3. Regions notify the appropriate cognizant region, if known, or HQ, Policy, of FAO matching errors in database.	Regions	Aug 05 and 06
4. FAOs meet locally with DCMA ACOs to jointly identify incurred cost audits necessary to accomplish the DCMA Performance Goals for contract closeout and canceling funds.	FAOs	Oct 05 and 06
5. FAOs complete DMIS coding of assignments to accomplish the objective.	FAOs	Oct 05 and 06
6. FAOs assess whether they have resources to meet DCMA needs within the existing program plan. FAOs report resource shortfalls, if any, to the region.	FAOs	Oct 05 and 06
7. Regions assess FAO shortfalls and reallocate resources between FAOs, if feasible, to accomplish the objective. Regions report resource shortfalls, if any, to HQ, Operations.	RDs	Oct 05 and 06

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MILESTONE PLAN	PERFORMING ELEMENT	DATE
8. HQ assesses and addresses any region identified resource shortfalls.	O	Oct 05 and 06
9. FAOs and DCMA ACOs meet periodically to review status of incurred costs audits to accomplish objective.	FAOs	As needed
10. RDs assess accomplishment of the objective and plans to meet future objectives. Report results at ESC meeting.	RDs	Dec 05, 06 and 07

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## GOAL 2 – Customer Satisfaction

**Objective: G2–05–02**

**Responsible Element: Operations**

**By FY 2005, 2006, 2007, and 2008, increase the MOCAS transaction-based volume of electronic billings on cost vouchers to 75%, 80%, 85%, and 90% respectively.**

**Metric:**

**Status: In Process**

**Using MOCAS data, determine the percentage of vouchers submitted electronically of the total number of vouchers submitted.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Establish baseline – using 1 <sup>st</sup> quarter FY 2005 data.	O	April 05
2. Regions/FAOs prepare implementation/action plans.	Regions/FAOs	June 05
3. Publish progress reports on a quarterly basis.	O	Quarterly
4. Regions assess progress, report issues requiring HQ guidance or resolution.	Regions	Sep 05 - 08
5. Brief ESC on progress.	O	Sep 05 - 08

## GOAL 2 – Customer Satisfaction

**Objective: G2–06–01**

**Responsible Element: RD 3**

**By FY 2007, conduct a study of lessons learned in contract audit support for contingency contract operations. Develop a briefing and contract audit support guide for contingency contracting; explore integration into DAU or other acquisition course materials.**

**Metric:**

**Status: New Objective**

**Presentation to the ESC and implementation of approved actions**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Compile lessons learned on Contingency Contracting in Iraq. What worked and what could be improved in terms of effective use of audit resources. Canvass FAOs/Regions with significant contingency contracting audit work.	RD-3	Jun 2006
2. Develop briefing material and present to AMC and DCMA to get their comments. Modify briefing material as appropriate, and solicit support. Determine any other related acquisition training programs (e.g. Army War College, etc.)	RD-3	Aug 2006
3. Coordinate with O and contact DAU. Present briefing and determine status of related DAU courses. Assess opportunities/advantages of partnering with Defense Acquisition University in joint training.	RD-3/O	Oct 2006
4. Brief ESC and provide available options. Solicit ESC approval.	RD-3	Dec 2006
5. Assist DAU or other acquisition training program in joint training regarding contract audit support in contingency environment.	O/RD-3	Feb 2007
6. Develop contract audit support guide for contingency operations.	RD-3	Feb 2007
7. Attend and participate in any course delivery/pilot. Obtain feedback.	O/RD-3	Mar 2007
8. Brief ESC on results and propose additional audit areas as appropriate.	O/Regional representative	Jun 2007

### GOAL 3 – Professional Competence

**Objective: G3–03–03**

**Responsible Element: Mid-Atlantic/Policy**

**By FY 2004\*, study the Financial Capability Risk Assessment and audit processes to ensure risk assessments and audits are performed in the most effective and efficient manner and make recommendations for improvement to the ESC.**

**Metric:**

**Status: In Process**

**Completion of study analysis and development of recommendations for improvement**

**\* ESC voted in December 2004 to extend the objective to FY 2005. ESC voted in August 2006 to extend the objective to FY 2007.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Select a sample of completed financial capability risk assessments and audits. For each assignment, (i) identify steps that were useful and not useful in developing a conclusion (e.g. Compustat, Z-Score), (ii) determine if audit hours incurred were commensurate with government exposure, (iii) identify prior training and experience of the lead auditor and / or use of Technical Specialist, and (iv) contact recipients of the work product and compile any issues or concerns. Stratify results by contractor characteristics.	Ad Hoc	Feb 04
2. Evaluate the risks and / or benefits of utilizing publicly available data for risk assessment and audit procedures (e.g. credit reports or investor analysis). Consider the advantages / disadvantages of incorporating finance concepts into guidance (e.g. Free Cash Flow and Economic Value Added (EVA)).	Ad Hoc	Mar 04
3. Determine if there are opportunities to incorporate the results of financial capability risk assessments and audits into other applicable audits (e.g. progress payments).	Ad Hoc	Apr 04
4. Based on the results of Milestones 1 - 3 above, identify opportunities to focus, refine and streamline the guidance /	Ad Hoc	May 04

MILESTONE PLAN	PERFORMING ELEMENT	DATE
process and related training.		
5. Report results of analysis and recommendations to the ESC.	Ad Hoc	Jun 04
6. Incorporate approved recommendations into guidance <ul style="list-style-type: none"> <li>o Revise criteria for performing financial capability risk assessments</li> <li>o Eliminate Z-Score and two cash flow ratios</li> </ul>	P	Sep 04
7. Analyze alternatives to S&P Compustat for average industry financial ratios. Present proposal to ESC.	P	Sep 04
8. Present proposal to ESC for revising and/or supplementing current guidance related to parent corporations and their subsidiaries.	P	Dec 04
9. Reassess the financial capability risk assessment approach, and consider the efficiency of the continued use of other indicators such as aging of accounts payable, and any other relevant factors.	P	Aug 05
10. Establish Agency-wide workbook for computing financial ratios.	P/O	Sep 06
11. Revise guidance related to audit opinion, addressing long term and parent/subsidiary issues.	P	Sep 06
12. Have financial capability training available for inclusion in FY 2007 Training plans.	O/P/TAC	Jul 06
13. Modify financial capability training course (Course No. 1170) based on changes to guidance reflected in milestones 9, 10 and 11.	O/P/TAC	Feb 07



## GOAL 3 – Professional Competence

**Objective: G3–03–04**

**Responsible Element: Operations**

**By March 31, 2006\*, increase by 10 percent the percentage of CPAs and staff with Advanced Degrees held by auditors over the March 31, 2003 levels.**

**Metric:**

**Status: In Process**

**Percentage of auditors holding CPA Certificate and percentage of auditors holding advance degrees.**

**\* ESC voted in August 2006 to extend the objective to FY 2006.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. All regions will develop and implement a plan to encourage employees to sit for the CPA exam and/or obtain an advance degree.	Regions/HPSEs	Mar 04
2. Prepare action plans for employees who have passed the CPA exam but have not received a CPA certificate.	Regions/HPSEs	Sep 04-06
3. At least one time during the year, supervisors will assure that career development discussions are held with their staff. These sessions will point out the benefits in furthering their education and encourage eligible personnel to pursue CPA certification and/or advance degrees.	All Supervisors	Sep 04-06
4. Annual assessments of Agency progress will be made along with status reports to the ESC.	O	Mar 04-06
5. Annual verification of employee's information contained in database will be made.	Regions/HQ	Aug 04-06
6. Final results regarding accomplishment of the 10 percent increase will be made along with a presentation to the ESC.	O	Sep 06

## GOAL 3 – Professional Competence

**Objective: G3–04–02**

**Responsible Element: Operations**

**By FY 2006\*, study alternative processes for delivery of training that maintains high quality while reducing Agency costs and increasing training opportunities.**

**Metric:**

**Status: In Process**

**Complete study and provide recommendations to ESC.**

**\* ESC voted in August 2006 to extend the objective to FY 2007.**

1. Identify an Ad Hoc Team from DCAI, OIT and the TAC.	O	Jul 04
2. Define Agency processes for training delivery as a baseline for improvement. Identify resource and equipment constraints related to online distance learning with consideration for personnel, bandwidth, equipment and other resource limitations.	Ad Hoc	Aug 04
3. Define and evaluate instructional models that effectively enhance self-paced, online distance learning and classroom activities for maximum learning with minimal delivery costs. Identify future opportunities / barriers involving course design, instructional and delivery methods.	DCAI / Ad Hoc	Oct 04
4. Provide status briefing to ESC on results of Ad Hoc activities under milestones 2 and 3 above.	DCAI / Ad Hoc	Dec 04
5. Develop and conduct pilot online course(s) to replace/supplement existing DCAI seminar. Evaluate course enhancements, cost efficiencies, student/supervisor reaction and identify opportunities and barriers.	DCAI / Ad Hoc	Mar 05
6. Obtain NASBA Registry for internet-based group delivery.	DCAI	Jul 05
7. Coordinate with TAC to identify other appropriate seminars for online delivery.	Ad Hoc / TAC	Aug 05
8. Brief ESC on results of pilot and TAC coordination and recommendations.	DCAI / Ad Hoc	Sep 05

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MILESTONE PLAN	PERFORMING ELEMENT	DATE
9. Redesign instructional content for online delivery (FY 07) and develop recommendations related to future applications of distance learning techniques.	DCAI / Ad Hoc	Mar 06
10. Draft report and coordinate recommendations with TAC/O.	Ad Hoc / TAC	Nov 06
11. Present final report and recommendations to ESC.	O	Dec 06

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## GOAL 3 – Professional Competence

**Objective: G3–04–04**

**Responsible Element: Operations**

**By FY 2006, increase training opportunities and methods for improving supervisor and auditor proficiency in use of APPS and related software tools.**

**Metric:**

**Status: In Process**

**Deploy assessment tool, identify training gaps and include needed training in FY 2007 IDP.**

1. Establish an Ad Hoc consisting of Operations, Policy, Regional and FAO representatives.	O	Jul 04
2. Define auditor and supervisor proficiency in the context of APPS, related software tools and computer assisted analytical tools.	Ad Hoc	Dec 04
3. Present auditor and supervisor proficiency measures to ESC for approval.	Ad Hoc	Dec 04
4. Develop a method for individual auditors and supervisors to assess their proficiency vis-à-vis ESC approved proficiency measures.	Ad Hoc	Jun 05
5. Identify training linked to specific types of proficiency gaps to assist auditors and supervisors in achieving desired levels of computer proficiency. Also consider results of Milestone 4 of SPO G3-03-02.	Ad Hoc	Jun 05
6. Present completed objective assessment tool and linked training package to the ESC for approval.	O	Jun 05
7. Pilot test assessment tool and develop recommended deployment and use to the ESC.	O	Dec 05
8. Update DCAI curriculum and Auditor Competency Database (Chapter 21) to incorporate ESC approved proficiency measures.	DCAI	Jun 06
9. Include identified training needs in FY 2007 IDPs.	Regions	Sep 06

### GOAL 3 – Professional Competence

**Objective: G3–05–01**

**Responsible Element: Policy**

**By FY 2006, assess the FAO peer review processes. Develop and implement improvements, as appropriate.**

**Metric:**

**Status: In Process**

**Completion of study and implementation of ESC approved recommendations.**

1. Develop assessment program to be used by the regions.	P and RQAs	Jul 05
2. Each region should visit selected FAOs to assess the implementation of the peer review process.	RQAs	Dec 05
3. Identify best practices, implementation barriers, and value of a consistent future agency approach for effectiveness of peer reviews on the FAO audit quality.	PQA	Mar 06
4. Present suggestions for improvement to the ESC.	PQA	Jun 06
5. Develop revised guidance and training in light of the ESC's recommendations.	P	Sep 06

**GOAL 3 – Professional Competence****Objective: G3–06–01****Responsible Element: Operations**

**By 2007, evaluate DCAA's current approach to training the audit staff, including assessing the best mix of a centralized training facility and local training facilities.**

**Metric:****Status: New Objective****Completion of analysis**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Identify the most effective approach and competing alternatives to providing training needs considering technical specialist workshops, changes in demographics, experience of audit staff, changes in technologies, and increased costs of transportation.	TAC	Dec 06
2. Perform a cost-benefit analysis of alternatives.	TAC	Apr 07
3. Present final results of analysis to ESC.	TAC	Jun 07

## GOAL 3 – Professional Competence

**Objective: G3–06–02**

**Responsible Element: Operations**

**By FY 2007, assess training needs and available sources to improve audit skills related to auditing contractors that utilize common computer applications (e.g., SAP, People Soft, Oracle, Deltek, SAS, Cognos, etc).**

**Metric:**

**Status: New Objective**

**Brief ESC on recommended training**

1. MILESTONE PLAN	2. PERFORMING ELEMENT	3. DATE
1. OTS will establish an Ad Hoc.	OTS	Nov 06
2. Define or otherwise determine expected levels of auditor and supervisor proficiency. Consider system/contractor specific as well as general utilizing field experience, contractor training and COTS training material.	Ad Hoc	Jan 07
3. Determine auditor and supervisor proficiency in using common computer applications, such as SAP, People Soft, Oracle, Deltek, SAS, etc. which require unique knowledge to understand and utilize.	Ad Hoc	Mar 07
4. Identify training linked to specific types of proficiency gaps to assist auditors and supervisors in achieving desired common computer application skill levels.	Ad Hoc	May 07
5. Identify and recommend sources of training to develop auditing skills in using common computer applications.	Ad Hoc	Jul 07
6. Prepare a comprehensive report identifying desired skills, target audience, etc. and applicable sources of training.	Ad Hoc	Aug 07
7. Brief ESC on recommended training.	O	Sep 07

## GOAL 3 – Professional Competence

**Objective: G3–06–03**

**Responsible Element: DD**

**Each year through FY 2008, increase audit effectiveness through enhanced Headquarters and Regional leadership involvement in developing or refining approaches and techniques.**

**Metric:**

**Status: New Objective; In Process**

**Completion of more effective audits in identified areas of emphasis (ref: RSPM meeting; Feb 9, 2006) and report to the ESC**

1. RDs and Policy to submit plans to enhance leadership roles and improve audit effectiveness as briefed at the March ESC.	RDs/P	May 2006
2. Execute plans and identify practices that result in effective audit results.	RDs/P	Feb 2007
3. Develop improved processes/methods/tools that will enhance the effectiveness and efficiency of the audit process.	RDs/P	Feb 2007
4. Spin-off (Spiral Development) process improvements for Policy deployment or regional implementation.	RDs/P	Feb 2007
5. Brief ESC and update plans for the coming year.	RDs/P	Mar 2007
6. Identify effective method(s) to continue the process of sharing effective audit processes as part of the Agency culture (similar to OASIS; industry or product based processes; type of contractor, etc.).	DQ	Jun 2007
7. Test the improved processes/methods/tools.	Selected FAOs	Dec 2007
8. Present recommended improvements along with results of the testing to ESC. Brief the ESC.	RDs/P	Mar 2008



## GOAL 3 – Professional Competence

**Objective: G3–06–04**

**Responsible Element: Operations**

**By FY 2007 (June), enhance leadership training and consider development of separate modules targeted for supervisors including adaptation of the DCAA leadership values to each specific role.**

**Metric:**

**Status: New Objective**

**Presentation of recommendations to ESC**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Assess existing sources of training on leadership.	TAC	Jun 06
2. Determine whether existing sources could be further refined into modules or whether new sources are needed to supplement existing sources.	TAC	Aug 06
3. Obtain input as needed from focus groups of supervisory auditors.	TAC	Sep 06
4. Determine best delivery methods (in consultation with the Training Advisory Committee): <ul style="list-style-type: none"> <li>• Computer-based</li> <li>• DCAI seminar (road show)</li> <li>• Group study</li> <li>• Combination of delivery techniques</li> </ul>	DCAI	Oct 06
5. Develop recommendations for methods used to identify which leadership modules a supervisor needs to take – e.g., recommendation by the FAO manager, choice of the supervisor, or some other method.	DCAI	Nov 06
6. Present interim results to the ESC.	DCAI	Dec 06
7. Pilot test developed modules and refine the training as necessary.	DCAI	May 07
8. Present results of pilot test and recommendations for implementation Agency-wide to the ESC.	DCAI	Jun 07

## GOAL 3 – Professional Competence

**Objective: G3–06–05**

**Responsible Element: Operations**

**By FY 2008, increase the Agency's use of EZ Quant over the FY 2005 baseline and provide support where needed.**

**Metric:**

**Status: New Objective**

**Usage of EZ Quant**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Establish an Ad Hoc Committee including Policy and Regional Representatives, chaired by OTS.	O	Aug 06
2. Review the results of the prior related objective briefed at the 12/04 ESC.	Ad Hoc	Sep 06
3. Select offices with the greatest opportunities for application of specific types of quantitative analysis and analyze assignments and interview personnel to determine how the applications were used, and if not used, rationale as to why they were not applicable.	Ad Hoc	Feb 07
4. Using the prior and current Ad Hoc data and results of regional analysis, determine root causes for lack of and/or improper use of audit tools. Identify best applications for presentation at other offices to promote effectiveness of the tools.	Ad Hoc	May 07
5. Present suggestions to the ESC.	Ad Hoc	Jun 07
6. Implement recommendations as approved by ESC.	O/P/Regions	Sep 07
7. Assess level of utilization over 12 months.	O	Sep 08

## GOAL 3 – Professional Competence

**Objective: G3–06–06**

**Responsible Element: RD 6**

**By FY 2008 (Dec 2007), evaluate auditor understanding and the effectiveness of processes related to suspensions and/or disapproval of costs under cost reimbursable contracts by issuance of DCAA Form 1 and/or NASA Form 456.**

**Metric:**

**Status: New Objective**

**Completion of study and implementation of recommendations for improvement**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Establish an Ad Hoc Team to perform study and develop recommendations (Policy program manager; Regional & FD representatives; and FAO representatives).	RD 6	Oct 2006
2. Perform analysis of current guidance and field compliance and determine if revisions/enhancements are needed: <ul style="list-style-type: none"> <li>Obtain &amp; analyze data (DMIS - Form 1s and NASA Form 456 – QA, Regional or HQ analysis of Form 1 issues – etc – query FAOs re concerns);</li> <li>Obtain and analyze audits for potential underutilization and/or timing issues with DCAA Form 1s</li> <li>Coordinate with DL on ongoing or prior legal issues involving suspensions or disapproval of costs;</li> <li>Coordinate with customers re issues with Form 1/NASA 456 process</li> <li>Finalize results of analysis</li> </ul>	Ad Hoc	Feb 2007
3. Develop draft policy and guidance revisions and recommendation regarding need for training.	Ad Hoc	May 2007
4. Present Ad Hoc's proposed policy changes and/or guidance enhancement to ESC for approval, direction, and determination as to whether separate training is warranted.	RD 6	Jun 2007
5. Incorporate changes into guidance (CAM/audit programs/APPS) and develop training.	Policy	Dec 2007

## GOAL 3 – Professional Competence

**Objective: G3–06–07**

**Responsible Element: RD 4**

**By FY 2008, study and evaluate the benefits of developing a Knowledge Management System to gather, share, and retain organizational knowledge.**

**Metric:**

**Status: New Objective**

**Complete study and provide recommendations to ESC**

MILESTONE PLAN		PERFORMING ELEMENT	DATE
1.	Establish an ad hoc to address the stated objective.	RD 4	Jun 06
2.	Identify the areas of knowledge existing within DCAA that are sufficiently strategic and significant to merit retention in a knowledge management system to avoid eventual loss.	Ad Hoc	Nov 06
3.	Identify existing databases/systems in use by the Agency and comment on ease of use and utility.	Ad Hoc	Nov 06
4.	Provide interim report to ESC with recommendations on how to proceed.	Ad Hoc	Dec 06
5.	Study and evaluate different knowledge management system models that maximize the sharing of information.	Ad Hoc	May 07
6.	Identify barriers/strategies to the development of an integrated DCAA knowledge management system.	Ad Hoc	May 07
7.	Present initial study results to the ESC for approval to proceed.	RD 4	Jun 07
8.	Initiate a pilot study. Select two areas of knowledge to test using a method based on ad hoc research. Assess results.	Ad Hoc	Dec 07
9.	Select a model and prepare a cost/benefit analysis to determine if the cost of establishing a knowledge management system exceeds the cost of information systems and human capital associated with collecting and maintaining it.	Ad Hoc	Mar 08
10.	Present recommendations to the ESC.	RD 4	Jun 08

## GOAL 3 – Professional Competence

**Objective: G3–06–08**

**Responsible Element: Operations**

**By FY 2007, evaluate the success in passing the CPA exam by the type of preparatory training delivery method used, the timing between completion of the prep course and taking the exam, the strategies for successful completion and make recommendations to the ESC.**

**Metric:**

**Status: New Objective; In Process**

**Completion of the study and implementation of recommendations**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Form an ad hoc group with representatives from OWD, Regions, FD and OAID.	O	May 06
2. Gather any external information/reports on successful completion of the CPA exam. Also, include a review of course pricing and potential savings from an Agency-wide program. (If any data is available it may be more meaningful than just a sample of DCAA employees.)	Ad hoc	Jul 06
3. Design an on-line survey tool to assess: <ul style="list-style-type: none"> <li>• vendor and type of preparatory training completed</li> <li>• timing between the prep course and taking the exam</li> <li>• other study / preparation strategies</li> <li>• advice to today's CPA candidates.</li> </ul>	Ad hoc	Aug 06
4. Brief D/DD and obtain approval for the survey tool.	Ad hoc	Aug 06
5. Coordinate with Regions and FD as needed to identify the CPA candidates October 2003 through Sep 2006.	Ad hoc	Sep 06
6. Survey CPA candidates.	Ad hoc	Oct 06
7. Review results and develop recommendations.	Ad hoc	Nov 06
8. Brief the ESC and obtain approval on recommendations.	Ad hoc	Dec 06
9. Implement approved recommendations.	O	Jan 07

## GOAL 3 – Professional Competence

**Objective: G3–06–09**

**Responsible Element: Operations**

**By FY 2007, reassess training (IDP) processes for all employees and make recommendations for improvement to the ESC.**

**Metric:**

**Status: New Objective; In Process**

**Completion of the study and implementation of approved recommendations**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Form an ad hoc with representatives from DCAI, Resources, and the Training Advisory Committee (TAC) members.	O	May 06
2. Review the IDP data in TRAIN to assess current compliance with IDP process.	DCAI	Jul 06
3. Coordinate with Regions / FD to determine how the IPD process is integrated with the Training Requirements process.	Ad hoc	Aug 06
4. Design an on-line survey tool to assess the IDP process to include: <ul style="list-style-type: none"> <li>what employees expect from the IDP</li> <li>when and how do supervisors / managers conduct IDP discussions</li> <li>what new training needs are identified (OJT / formal)</li> <li>how can new needs be advanced</li> <li>what are the barriers to effective IDP.</li> </ul>	Ad hoc	Oct 06
5. Brief D/DD and obtain approval for the survey tool.	Ad hoc	Oct 06
6. Conduct an Agency-wide on-line survey.	Ad hoc	Nov 06
7. Review results and develop recommendations. (How to link the IDP process to the TAC and course development.)	Ad hoc	Mar 07
8. Brief the ESC and obtain approval on recommendations.	Ad hoc	Mar 07
9. Implement approved recommendations with the FY 08 IDP.	O	Jun 07

## GOAL 3 – Professional Competence

**Objective: G3–06–10**

**Responsible Element: RD 4**

**By FY 2008, perform a review of the Technical Specialist program to identify benefits and recommend improvements in both audit effectiveness and administrative areas.**

**Metric:**

**Status: New Objective**

**Completion of study and presentation of recommendations to the ESC**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Appoint an Ad Hoc with representation from P, Regions/FD, and Field Offices to include technical specialist(s).	RD 4	Oct 2006
2. Identify and review the management expectations for, and intended benefits of, the technical specialist program.	Ad Hoc	Dec 2006
3. Determine the effectiveness of using Technical Specialists in the audit process: better quality? more effective results? better support for opinions?	Ad Hoc	Mar 2007
4. Identify best practices and opportunities for improvement of the technical specialist program particularly in the areas of workload planning and audit effectiveness when technical specialists are employed.	Ad Hoc	Jul 2007
5. Develop specific recommendations to improve the effectiveness and/or efficiency of the program.	Ad Hoc	Oct 2007
6. Identify administrative issues of concern to technical specialists such as rating by several supervisors, scheduling work, balancing priorities, etc.	Ad Hoc	Oct 2007
7. Presentation of recommendations to ESC.	RD 4	Dec 2007

## GOAL 3 – Professional Competence

**Objective: G3–06–11**

**Responsible Element: RD 3**

**By FY 2007, evaluate workflow into and within the FAO including management/supervisory tasking and workflow processes for opportunities to better distribute work demands, develop more efficient approaches and eliminate non-value added efforts.**

**Metric:**

**Status: New Objective**

**Presentation of the recommendations to the ESC**

1. Appoint an Ad Hoc with representation of one SA from each region (consult with other Agency personnel as needed).	RD 3	Oct 2006
2. Gather data and diagram (fishbone) workflow into and within the FAO. Select several legs for further analysis. Criteria could be most critical/time consuming/easy to fix/subject to automation.	Ad Hoc	Dec 2006
3. Perform a more detailed analysis of the drivers/root causes of these demands and develop solution sets that satisfy demand more efficiently, eliminate task, or consider reassignment of the task to others.	Ad Hoc	Feb 2007
4. Brief the ESC on findings and recommendations.	RD 3	Mar 2007
5. Work automated solutions and/or pilot test if appropriate.	O/Ad Hoc	May 2007
6. Identify additional legs for study and evaluate as in step 3, above.	Ad Hoc	May 2007
7. Follow-up on implementation of first set of recommendations – are they working as intended.	Ad Hoc	July 2007
8. Present recommendations to the ESC.	RD 3	Sep 2007



## GOAL 4 – Best Value Audit Services

**Objective: G4–02–01**

**Responsible Element: Operations**

**Each year through FY 2008, DCAA will manage its Cost per Direct Audit Hour at a level sufficient to maintain our competitive advantage over the comparable National Public Firm composite rate.**

**Metric:**

**Status: In Process**

**Actual Cost per Direct Hour**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Provide any initiatives planned for the upcoming fiscal year for OWD's consideration in determining preliminary objectives.	Regions	Jun 04 - 08
2. Regions provide initial Annual Financial Plan (AFP) for HQ review and consideration in developing CPDAH objective.	O / C	Jul 04 - 08
3. In coordination with Regions, develop CPDAH proposal for upcoming year. Present proposed rate to ESC.	O	Sep 04 - 08
4. Communicate objectives to Agency employees and incorporate into Annual Performance Metrics.	O	Oct 04 - 08
5. Compute actual cost per direct audit hour rates, and provide report to all employees on whether objectives have been met.	O / Regions	Quarterly
6. Annually, and in conjunction with benchmarking, compare the actual cost per direct audit hour to national firm rates.	O	Sep 04 - 08

## GOAL 4 – Best Value Audit Services

**Objective: G4–05–02**

**Responsible Element: FD**

**By March 2007, develop improvements for coordination in planning and performing incurred cost and related audits at contractor locations involving both FD and regional offices responsibilities.**

**Metric:**

**Status: In Process**

**Completion of study and briefing to the ESC**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Form an ad hoc team led by FD, with representatives from O, P and at least two regions.	FDD	Aug 2005
2. Analyze the procedures currently contained in the DMIS Users Guide for coordination in planning and performing incurred cost and related audits at contractor locations involving both FD and regional office responsibilities.	Ad Hoc	Oct 2005
3. Develop proposed enhanced procedures to improve risk assessments, identification of all contracts, and to avoid duplicative audit work. Consider key processes based on the type of audit.	Ad Hoc	Nov 2005
4. Brief the ESC on proposed revisions to the DMIS Users Guide for approval.	FDD	Dec 2005
5. Pilot test approved processes/procedures at the 10 largest FD direct cost contractors.	FD/regions	Jan – Dec 2006
6. FD, with regional input, report back to ESC on results of pilot and recommendations for expansion Agency-wide.	FDD	Mar 2007

## GOAL 4 – Best Value Audit Services

**Objective: G4–06–01**

**Responsible Element: RD 2**

**By FY 2007, assess the effectiveness of defective pricing audit planning and execution including the post-award audit selection system (PASS).**

**Metric:**

**Status: New Objective**

**Completion of assessment and presentation of recommendations to ESC**

1. Form an Ad Hoc Committee to determine (i) if the current post award audit selection system (PASS) results in the selection of contracts with the highest potential of being defectively priced and (ii) if the current audit methods and techniques applied are effective in identifying non-compliances with the Truth in Negotiations Act. The Ad Hoc will be comprised of a cross-section of HQ, Regional, and FAO representatives.	RD 2	Jun 06
2. Analyze historical trends in Agency performance.	Ad Hoc	Jun 06
3. Hold initial meeting to discuss effectiveness and efficiency of defective pricing audit program and PASS.	Ad Hoc	Jun 06
4. Review the PASS process to determine if the current process results in selections of contracts commensurate with potential risk of defective pricing. Identify areas for improvement.	Ad Hoc	Dec 06
5. Evaluate FAO processes of developing and updating DP universe to determine what information sources FAOs use and identify best practices and/or areas for improvement.	Ad Hoc	Dec 06
6. Perform analysis to determine the amount of effort required to maintain DP universe.	Ad Hoc	Dec 06
7. Review a sample of completed post award audits to determine the effectiveness and efficiency of the risk assessment, probe and detailed audit steps. Identify potential audit areas for improvement.	Ad Hoc	Dec 06
8. Develop and present recommendations to the ESC for changes to the universe process and defective pricing audit program.	RD 2	Mar 07

## GOAL 4 – Best Value Audit Services

**Objective: G4-06-02**

**Responsible Element: Resources**

**By FY 2008, achieve a 15% increase in the number of telework hours over the FY 2005 level, by identifying additional opportunities and methods for employees to participate in the telework program.**

**Metric:**

**Status: New Objective**

**Number of telework hours**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Complete analysis of the results of the telework survey conducted as DCAA Telework Program assessment tool and administered to supervisors and non-supervisors in 2005. Develop a baseline of telework eligibility and usage in FY 2005.	C	Jun 06
2. Establish focus groups (1-2 PWTs) in each region to: <ul style="list-style-type: none"> <li>Identify the types of activities currently being performed on telework.</li> <li>Validate that the work currently being performed is suitable for telework.</li> <li>Determine additional opportunities for telework that are not currently included in the program.</li> <li>Determine if employee perceptions are creating barriers to maximized use of telework and shared space.</li> <li>Determine extent to which employees currently teleworking are sharing cubicles and if there are best practices that can be applied within DCAA.</li> </ul>	C/DQ/RQs	Sep 06
3. Develop potential strategies for expanding use of telework and shared space and determine if current Agency policy needs to be revised.	C/DQ	Sep 06
4. Finalize recommendations and present to ESC.	C	Dec 06
5. Implement approved ESC recommendations.	C/Regions	Jan 07
6. Present results to ESC.	C	Sep 08

## GOAL 4 – Best Value Audit Services

**Objective: G4–06–03**

**Responsible Element: P**

**By FY 2007, analyze incurred cost and forward pricing audit guidance including standard audit programs and risk assessments, to assess whether existing audit approaches are effective and contribute to high rates of detection probability.**

**Metric:**

**Status: New Objective**

**Completion of analysis and implementation of recommendations for improvement**

1. Prioritize by five digit codes (e.g. 10100, 21000) and dollar strata and identify current audit programs and audit guidance to be included in the analysis.	P	Jun 06
2. Form an ad hoc of HQ and local auditors to review and analyze existing audit programs and audit guidance to assess effectiveness.	P	Jun 06
3. Hold initial meetings to discuss the effectiveness of the audit programs, risk assessments, and guidance (e.g., is objective of audit clear, what audit steps contribute most to the objective, is it clear what is expected to be done to accomplish audit step, etc).	P/Ad Hoc	Jul 06 Jan 07 Oct 06
4. Conduct an analysis of selected audit assignments with high questioned (QC) and those with no QC and identify recommendations for improvements in the audit programs, risk assessments, guidance or training to improve QC detection.	P/Ad hoc	Sep 06 Mar 07 Dec 06

MILESTONE PLAN	PERFORMING ELEMENT	DATE
5. Prepare draft revisions to audit programs and guidance and provide to the regions for comments. a. 21000 under \$10 million and 28000 b. 21000 over \$10 million, 27000, and 23000 c. 10100 Major >\$90 M	P/Ad hoc	Oct 06 Apr 07 Jan 07
6. Review and incorporate ESC approved recommendations resulting from the Agency audit effectiveness projects on risk assessment and high cost areas. (Incurred Cost)	P	Mar 07
7. Analyze and incorporate comments from the regions. a. 21000 under \$10 million and 28000 b. 21000 over \$10 million, 27000, and 23000 c. 10100 Major >\$90 M	P	Nov 06 May 07 Apr 07
8. Brief ESC on results/recommendations. a. 21000 under \$10 million and 28000 b. 21000 over \$10 million, 27000, and 23000 c. 10100 Major >\$90 M	P	Dec 06 Jun 07 Jun 07

## GOAL 4 – Best Value Audit Services

**Objective: G4–06–04**

**Responsible Element: Operations**

**Each year through FY 2008, increase productivity through specifically identifiable process improvements on Incurred Cost and Forward Pricing.**

**Metric:**

**Status: New Objective; In Process**

**Actual productivity rate for each selected area.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. OWD will solicit ESC for identifiable process improvements for consideration in establishing preliminary productivity goals for the upcoming fiscal year. RDs will solicit FAOs for productivity initiatives.	O/Regions	May 06 - 08
2. ESC will provide initiatives planned for the upcoming fiscal year for OWD's consideration in determining preliminary objectives.	Regions	May 06 - 08
3. Provide preliminary objectives to ESC for approval.	O	Jun 06 - 08
4. Establish objectives to be incorporated into program plan.	ESC	Jun 06 – 08
5. Communicate objectives to Agency employees and incorporate into Program Plan guidance (PSAD).	O	Jul 06 – 08
6. Prepare program plan which will achieve the agreed-to productivity objectives.	Regions	Sep 06 – 08
7. Actual productivity available in DMIS at 2 week intervals.	O	Bi-weekly

## GOAL 5 – Integrated IT Structure

**Objective: G5–01–03**

**Responsible Element: Operations**

**By FY 2003, achieve 95 percent accuracy for DMIS table data fields that are critical for internal and external reporting.**

**Metric:**

**Status: Closed August 2006**

**Error rate in selected DMIS table data fields**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Identify DMIS data elements considered most critical for internal and external reporting in initial three DMIS tables to be evaluated: <ul style="list-style-type: none"> <li>• Contractor table</li> <li>• Reimbursable table</li> <li>• Assignment table</li> </ul>	O / Regions	May 01
2. Estimate current error rates based on Impromptu queries and analysis. Provide status report to the ESC on the critical data elements and the estimated error rates.	O	Jun 01
3. In coordination with RQAs, develop guidelines and checklists to be used by FAOs for reference and self-assessments.	O / Regions	Sep 01
4. OWD/RQA teams review two branches & two residencies in each region to determine reasons for inaccuracies and make recommended improvements.	O / Regions	Oct 01 – Jan 02
5. OWD/RQA present the results of the reviews to the ESC.	O / Regions	Mar 02
6. Brief ESC on new/revised guidance, database element edit checks, and/or training plans where needed to improve data accuracy.	O / Regions	Jun 02
7. Conduct follow-up assessments as part of annual program plan.	RQAs	Oct 02 - Jun 03
8. Provide annual assessment and corrective action plans to ESC.	O / Regions	Sep 02 - 03



## GOAL 5 – Integrated IT Structure

**Objective: G5–01–04**

**Responsible Element: Operations**

**By FY 2004\*, DCAA will PKI enable all appropriate applications, the Network and the Intranet Site.**

**Metric:**

**Status: In Process**

**Conversion of identified systems.**

**\* ESC voted in December 2004 to extend the objective to FY 2006. The ESC voted in August 2006 to extend the objective to FY 2007.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Obtain Common Access Card (CACs) for HQ staff, develop guidelines for network logon, and conduct pilot test.	C / O	Aug 02
2. Headquarters finalizes guidance and regions begin obtaining CACs.	O / C / Regions	Nov 02
3. As CACs are obtained and readers installed, network login will be done via CAC / PIN (although not mandatory).	All	Jun 04
4. Identify applications to be PK enabled and submit to ESC for approval.	O	Jun 04
5. Access to intranet will be CAC enabled.	All	Jul 04
6. Network login and intranet access via CAC will be required.	All	Jun 06
7. Other identified applications will be PK enabled.	All	Sep 07

## GOAL 5 – Integrated IT Structure

**Objective: G5–03–02**

**Responsible Element: P/O/Regions**

**By December 2005\*, (1) Replace the “batch” paper-based guidance dissemination process with an electronic / web “flow” basis under which updates to guidance would be posted as released (CAM, Audit Programs, Audit Report Shells) and (2) Reevaluate the continued need for a paper CAM in light of advances in technology and changes in attitudes.**

**Metric:**

**Status: In Process**

**Implementation of “flow” guidance update process, and completion of study and reporting results to the ESC.**

**\* ESC voted in June 2005 to extend the objective to December 2006.**

1. Establish a HQs implementation team to transition to “flow” basis for audit guidance dissemination.	PAS and OTS	May 03
2. Implement APPS 5.0 a. In Field. b. Documentation /Implementation of APPS Update Process at HQ.	O	Mar 04
3. Develop a process to deliver CAM to the field on a real time basis. a. Develop a mechanism to deliver CAM updates to auditors in the most effective manner within the constraints of the DCAA network infrastructure. b. Develop a policy interface for CAM (similar to APIS, the policy interface for APPS). c. Convert electronic CAM to format needed to accommodate flow basis.	O / P	Sep 04
4. Develop a process for issuing guidance on a flow basis (APPS/Electronic CAM). Process should: a. Determine how the nature and importance of guidance changes affects the method and timing of their dissemination. b. Identify best means of notifying auditors of	Implementation Team	Oct 04

MILESTONE PLAN	PERFORMING ELEMENT	DATE
guidance changes such as: <ul style="list-style-type: none"> <li>• Highlights in CAM</li> <li>• Inclusion of a list of CAM changes in APPS</li> <li>• MRD notification of update with background information</li> <li>• E-mail notification</li> </ul> c. Reinforce policy on how auditors should deal with differences between guidance sources.		
5. Coordinate and test processes developed in Milestones 3 and 4 with regions.	P / O	Dec 04
6. Identify and prepare best means to publicize flow basis: <ul style="list-style-type: none"> <li>• Bulletin article</li> <li>• Online notice</li> <li>• Presentations at Manager, Quality or FAO staff conferences</li> <li>• MRD</li> </ul>	Implementation Team	Dec 04
7. Implement flow basis.	P / O / Regions	Jun 05
8. Add "Searching Tips" link to intranet CAM home page.	Implementation Team	Aug 05
9. Survey field personnel on effectiveness of electronic CAM (including search feature) and initial recommendations for revisions.	Implementation Team	Dec 05
10. Survey CAM users to identify technological, situational, and behavioral impediments to use of electronic CAM. Interview heavy (99% users of the paper CAM) and identify any actions required to eliminate barriers. Provide specific suggestions for action to Policy for consideration.	Implementation Team	Sep 06
11. Based upon results of survey taken in Milestone 10, draft policy on hard copy CAM for ESC approval.	P	Nov 06
12. Present recommendations and status to ESC.	Implementation Team	Dec 06

## GOAL 5 – Integrated IT Structure

**Objective: G5–04–01**

**Responsible Element: Resources**

**By 2006, reduce leased space square footage by 6 percent from the October 1, 2003 baseline.**

**Metric:**

**Status: In Process**

**A 6 percent reduction in the square footage of leased office space by September 2006**

1. Determine the baseline (square footage) of Agency-wide office leased space using September 30, 2003 data.	CM / CF	Mar 04
2. Each Region will assess current leased space, location lease renewals, cost and teleworking practices and develop a plan for reducing space/costs.	Regions	Sep 04
3. Annually, using end of fiscal year data, assess the square footage of Agency-wide office leased space, and report at the December ESC.	CM / CF	Dec 05 - Dec 06

## GOAL 5 – Integrated IT Structure

**Objective: G5–04–02**

**Responsible Element: Operations**

**By FY 2006, assess IT Security processes and procedures and implement enhancements to ensure that DCAA's Network is effectively protected from external attack and complies with applicable DoD Regulations.**

**Metric:**

**Status: In Process**

**All Category I vulnerabilities are mitigated and 85 percent of Category 2 vulnerabilities are mitigated as identified by three consecutive quarterly scans of our network.**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Evaluate the regulatory requirements and determine the impact on DCAA. Begin quarterly scans of the DCAA network.	OIT	Sep 04
2. Assess existing capabilities to detect and prevent attacks. Brief ITSC on current status and identified security gaps within the Agency.	OIT / Regions	Nov 04
3. Develop plans to ensure that the network is effectively protected as required by applicable DoD regulations.	ITSC	May 05
4. Brief the ESC on plans developed in step 3 above, and recommended enhancements.	ITSC	Jun 05
5. Provide an interim assessment and/or recommendations to the ESC.	ITSC	Sep 05
6. Provide final results to ESC.	ITSC	Sep 06

## GOAL 5 – Integrated IT Structure

**Objective: G5–04–04**

**Responsible Element: Operations**

**By December 2004\*, assess possible improvements in the DCAA Intranet site including navigation techniques and the search engine.**

**Metric:**

**Status: In Process**

**Brief ESC on recommended website changes**

**\* The ESC voted in August 2006 to extend the objective to FY 2007.**

1. Conduct a webmaster's conference to discuss shortcomings, identify methods of improvements, and identify best practices internally and externally. Make initial determination of types of changes required.	OTS / Regions / CAC Webmasters	Aug 04
2. Assess other search engines to determine if superior products are available using internal evaluations and Gartner services currently available under contract.	OTS / OIT	Sep 04
3. Perform an analysis of the costs associated with alternatives on web redesign and search engines and the related benefits.	OTS	Oct 04
4. Prepare cost-benefit analysis of various alternatives for presentation to the ESC.	O	Dec 04
5. Brief ESC on final proposed intranet changes, including a new home page and search capabilities.	OTS	Dec 05
6. Develop a topical look home page, incorporating feedback from users.	OTS / OIT	Jun 06
7. Brief ESC and obtain approval.	OTS	Dec 06
8. Publish new home page, including any ESC recommendations from December 2006 briefing.	OTS / OIT	Mar 07

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–01**

**Responsible Element: Operations**

**By FY 2007, achieve a 10 % reduction in costs of COTS (Commercial off the Shelf) software and on-line subscription services.**

**Metric:**

**Status: New Objective**

**Costs of COTS software and on-line subscription services, excluding Agency-wide approved COTS software**

1. Identify all current DCAA COTS, on-line subscription services and associated costs.	O/C	Oct 06
2. Establish sponsor for each product.	O/C	Oct 06
3. Establish HQ evaluation team.	HPSEs	Nov 06
4. Determine utilization of products.	O	Jan 07
5. Develop justification for each product and brief Evaluation Team.	Sponsors	Apr 07
6. Recommend opportunities to reduce costs or improve utilization.	Evaluation Team	May 07
7. Report on analysis and resulting actions.	O	Jun 07

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–02**

**Responsible Element: FD**

**By March 2007, explore the feasibility and affordability of providing additional automated tools to enhance managers' ability to assign and schedule work, and match available resources to audit requirements.**

**Metric:**

**Status: New Objective**

**Completion of study and report to ESC**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Establish Ad Hoc with representatives from O, supervisory workforce, and at least one FAO manager.	FD	Oct 06
2. Explore need for automated tools to enhance auditor scheduling. Analysis should consider: <ul style="list-style-type: none"> <li>What problems such tools would be designed to solve</li> <li>What, if any, management or workload demands are driving the need for such tools</li> <li>What techniques are being used to manage auditor scheduling by supervisors who currently do not use or do not foresee a need for automated tools.</li> </ul>	Ad Hoc	Jan 07
3. Develop recommendations for the ESC. If automated tools are considered necessary to provide the required functionality, recommendations should consider whether minor enhancements to existing systems or reports can satisfy most requirements.	Ad Hoc	Feb 07
4. Present recommendations and cost-benefit analysis to the ESC.	Ad Hoc	Mar 07



## GOAL 5 – Integrated IT Structure

**Objective: G5–06–03**

**Responsible Element: Resources**

**By FY 2007, assess feasibility and affordability of automated processes that notify Regions/FAOs in advance of upcoming personnel-related due dates to ensure compliance with time-sensitive requirements.**

**Metric:**

**Status: New Objective**

**Presentation to ESC**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Establish Ad hoc with representatives of C, O, and Regional representatives. The ad hoc will identify consultants as necessary.	C	Sep 06
2. Identify all personnel-related time-sensitive processes.	Ad Hoc	Oct 06
3. Identify potential applications and the estimated costs of development and deployment of automated processes.	Ad Hoc	Mar 07
4. Present recommendations to ESC.	Ad Hoc	Jun 07

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–04**

**Responsible Element: Resources**

**By June 2008, convert from a client-server to a web-based electronic records management system to improve ease of use and functionality.**

**Metric:**

**Status: New Objective; In Process**

**User time and satisfaction (as measured by time and motion study and follow-up survey)**

MILESTONE PLAN		PERFORMING ELEMENT	DATE
1.	Project approval by ESC.	CM	Mar 06
2.	Formation of working group to assist with tasks necessary in preparation for and as part of implementation; work to begin immediately; majority of meetings via conference calls.	CM/O/Regions	Apr 06
3.	Conduct time and motion study of typical iRIMS transactions for baseline measurement purposes.	RD 1	May 06
4.	Contract award for contractor support; contractor to assist with preparatory tasks and actual implementation.	CM	Jun 06
5.	Purchase of production hardware and software.	CM	Aug 06
6.	Configuration of production hardware and software complete.	OIT/CNTR	Oct 06
7.	Phased implementation begins with Headquarters data conversion and implementation.	OIT/CNTR/CM	Nov 06
8.	Based on lessons learned at Headquarters, adjustments made to regional implementation task list.	CM	Jan 07
9.	Start conversion of data and implementation at first region; capacity testing/response time evaluation after each regional deployment.	OIT/CNTR /Regions	Jan 07
10.	Conduct time and motion study of typical LiveLink transactions and compare to baseline iRIMS measurement data.	RD 1	Jan 07

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MILESTONE PLAN	PERFORMING ELEMENT	DATE
11. Establish phased deployment schedule for remaining regions, allowing 2 months per region. However, should response time or any major issue be encountered, test and implement solution before restarting deployment at remaining regions.	CM/Regions	Feb 07
12. Target completion.	CM/OIT/Regions	Dec 07
13. Survey user community on improved functionality and ease of use.	C	Jun 08

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–05**

**Responsible Element: Operations**

**By November 2006, provide the DCAA workforce with secure access to the network with Agency laptop computers via commercial high-speed connectivity e.g., cable modem, DSL.**

**Metric:**

**Status: New Objective; In Process**

**Capability provided to all employees within DCAA**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Obtain/install trial software.	OIT	Apr 06
2. Determine desktop security/intranet access control policies and level of internal support required to manage the tools.	OIT	Apr 06
3. Determine testing plan.	OIT	May 06
4. Test within "O" to determine product capabilities and limitations.	OIT	Jun 06
5. Develop implementation plan.	OIT	Jun 06
6. Provide an interim assessment and recommendations to the ESC on the implementation.	OIT	Jun 06
7. Bring Region IT personnel to HQ to demonstrate/teach remote tools.	OIT/Regions	Aug 06
8. Procure licenses and hardware.	OIT/C	Sep 06
9. Perform field test.	OIT/Regions /HPSEs	Oct 06
10. Develop and disseminate User Guide.	OIT	Oct 06
11. Implement hi-speed remote access throughout the Agency.	OIT	Nov 06

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–06**

**Responsible Element: Operations**

**By FY 2007, explore feasibility and affordability of redesigning DMIS; and deploy approved modules by FY 2009. Areas to consider include (1) using updated programming software and web-based technologies, (2) improving existing modules and related processes, (3) integrating current stand-alone systems to minimize redundancy, and (4) incorporating additional functionality to improve workflow and productivity.**

**Metric:**

**Status: New Objective; In Process**

**Deployment to the field of those DMIS modules determined feasible and affordable to program**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Establish ad hoc committee to identify potential improvements to DMIS. Members would include both technical and user personnel.	O/Regions	Jun 2006
2. Compile comprehensive list of potential improvements or enhancements drawing ideas from throughout the user community.	Ad hoc	Oct 2006
3. Prioritize list based on the potential to improve workflow, productivity, or audit management.	Ad hoc	Nov 2006
4. Prepare mission needs statement identifying the problem to be solved by each potential improvement and the desired outcome of the DMIS change.	Ad hoc	Jan 2007
5. Develop Rough Order of Magnitude of the effort required to complete components of the redesign.	OIT	Mar 2007
6. Prepare business case for highest impact elements given the mission need vs. ROM cost.	O / Ad hoc	May 2007
7. Set budget for project and determine scope we can afford.	O / C	May 2007
8. Prepare IT investment proposal and present to Configuration Control Board (CCB).	O	Jun 2007
9. Present CCB recommendation to D.	O	Jun 2007
10. Update SPO milestone plan for the approved project scope, including user documentation and training.	O	Aug 2007
11. Deploy DMIS.	O	Oct 2009

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–07**

**Responsible Element: RD 6**

**By FY 2008, encourage creativity and innovation of DCAA employees in developing localized IT applications by improving Agency process for approving and supporting proposed projects.**

**Metric:**

**Status: New Objective**

**Implement improved process and sponsor at least 2 projects per region by FY 2008.**

1. Assess the current agency processes (Hqs and regions) for identifying, developing and implementing Regional IT Applications to promote improved sharing of applications and address the maintenance and future enhancements of IT Applications.	ITSC	Jan 07
2. Solicit Regional input on practices employed in the past for Agency-wide applications developed by the Regions and for ideas for improving the current Agency process.	ITSC	Feb 07
3. Consider the suggested opportunities to improve processes and develop a proposed revised Agency process, giving consideration to the role that the newly formed CCB will have in the process.	ITSC	Mar 07
4. Present revised process to ESC for approval.	ITSC	Jun 07
5. Implement revised process.	Regions/O	Sep 07
6. Summarize projects sponsored and report to ESC on the effectiveness of the improved processes.	ITSC	Sep 08

## GOAL 5 – Integrated IT Structure

**Objective: G5–06–08**

**Responsible Element: Operations**

**By December 2006, determine the feasibility of using wireless devices and technology to increase the performance of remote users in accessing DCAA applications, while not compromising security.**

**Metric:**

**Status: New Objective; In Process**

**Report to the ESC describing test results, a cost/benefit analysis, and implement as approved**

MILESTONE PLAN	PERFORMING ELEMENT	DATE
1. Obtain/install trial software.	OIT	Apr 06
2. Determine desktop security/intranet access control policies and level of internal support required to manage the tools.	OIT	Apr 06
3. Determine testing plan.	OIT	May 06
4. Test within "O" to determine product capabilities and limitations.	OIT	Jun 06
5. Develop implementation plan.	OIT	Jun 06
6. Provide an interim assessment and recommendations to the ESC on the implementation.	OIT	Jun 06
7. Bring Region IT personnel to HQ to demonstrate/teach remote tools.	OIT/Regions	Aug 06
8. Procure licenses and hardware.	OIT/C	Sep 06
9. Perform field test.	OIT/Regions /HPSEs	Oct 06
10. Develop and disseminate User Guide.	OIT	Sep 06
11. Establish wireless card distribution policy.	OIT	Nov 06
12. Recommend wireless card distribution policy to ESC.	OIT	Dec 06

## APPENDIX 1 – Closure Reports

**Objective:** G5-01-03 DMIS Data Accuracy

**By FY 2003, achieve 95 percent accuracy for DMIS table data fields that are critical for internal and external reporting.**

**Responsible Element:** Operations

**Metric:** Error rate in selected DMIS table data fields

**Closed:** August 2006

### Work Accomplished:

The Strategic Plan objective focused on those data elements within DMIS that are most commonly used in our reports to the DoD, Congress, and other external organizations; as well as our own internal metrics. Operations, in conjunction with the regional RQAs, reviewed the three principal DMIS tables (Assignment, Contractor, and Reimbursable Tables) and those data elements considered as critical to establish the baseline for the subsequent field reviews. The initial field reviews to establish our baseline of data accuracy were conducted by Regional RQA and Operations staff in FY 2002, with the subsequent FY 2003 reviews focusing only on those data elements where the initial review indicated that we were below the 95 percent target. The results of those reviews were presented to the ESC in March 2002 and September 2003 and are summarized below. The FY 2002 results are adjusted to reflect only those questions related to data elements reviewed in both FY 2002 and FY 2003.

DMIS Data Table	Accuracy Level	
	FY 2002	FY 2003
Assignment Table	82 %	83 %
Contractor Table	81 %	90 %
Reimbursable Table	97 %	Not Reviewed
Overall Table Accuracy	82 %	85 %



DMIS Assignment Data Type	Accuracy Level	
	FY 2002	FY 2003
Contractor Profile	81 %	90 %
Discretionary ( <i>Contract Required</i> ) Audits	84 %	87 %
Non-Discretionary ( <i>Customer Requested</i> ) Audits	79 %	80 %
Overall Assignment Accuracy	82 %	85 %

### Data Accuracy Review Results

The overall results of the FY 2002 and 2003 reviews reveals that our DMIS accuracy is only in the high 80 percent range for data elements and activities. However, FAOs consistently showed a higher degree of accuracy in recording data required for reimbursable activity, recording in-process dollars, and achieving Agency goals related to electronic audit reports. The review results were further evaluated to determine what actions might be taken to assist users to better understand DMIS inputs and outputs, as well as DMIS enhancements in those areas where the results indicated that increased accuracy is required. The enclosure provides an easy reference of the DMIS program changes made during the course of FY 2002 through FY 2004; including a reference to the various MRDs that provide more in-depth information on the nature of the changes.



DMIS Updates.doc

### Recommendation:

We recommend that this objective be closed. Although we did not achieve our targeted goal of 95 percent accuracy for FY 2003, we have made significant strides in establishing DMIS program enhancements. In addition, by September 15, 2006, Operations will establish separate taskings to:

- Complete the actions resulting from regional review team recommendations
- Recommend for ESC approval the most critical DMIS data elements
- Establish a process to monitor and track DMIS data accuracy on the most critical elements
- Eliminate obsolete data elements
- Propose for ESC consideration, wording for a new objective that would improve the data accuracy on the most critical data elements by 10 percent (baseline to be established).